

INTRODUCTION

The Barry County Friend of the Court (FOC) had a contract with the Michigan Family Independence Agency (FIA) to enforce all orders of support over which the Barry County FOC had jurisdiction, to locate absent parents, and to provide certain reports on child support collections to the FIA. Barry County FOC billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Barry County for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Barry County FOC for the period January 1 through September 30, 1999. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Barry County FOC underbilled the FIA for the personnel line item. The State share of the net amount underbilled was \$20,022. (See Schedule A.)

Our report recommends the Family Independence Services Administration advise the Barry County FOC that they may bill for the additional \$20,022.

FOC RESPONSE

The Barry County FOC did not respond to our draft report.

FINDINGS

Personnel Costs

1. We found that Barry County FOC underbilled FIA \$20,022 for personnel costs, due to a computational error. (See Schedule A.)

WE RECOMMEND the Family Independence Services Administration advise Barry County FOC that they may submit a revised billing to include the additional \$20,022 in personnel costs.

Stale Outstanding Checks

2. We found that Barry County FOC did not follow up on outstanding checks. They had \$3,542.04 in outstanding checks from 1994-1999. These checks should be escheated in accordance with FOC Letter 99-025.

WE RECOMMEND that the Family Independence Services Administration remind Barry County of the need to follow FOC Letter 99-025 and escheat these outstanding checks to the State of Michigan on a timely basis.

Finding #	Line Item	Year	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	State %	Due (State) County
1	Personnel	1999	\$ 30,797	91.04%	\$ 28,038 \$ -		

**Grand Total of the IV-D Audit
Adjustments**

\$ 28,038

Calculation of the Payment Due the (State) County

Audited IV-D Amount	388,789		
IV-D Amount Used for the Payments Actually Made	<u>(360,751)</u>		
IV-D Audit Adjustment Due (State) County	<u>28,038</u>	71.41%	<u>20,022</u>